THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) No, Sir.

(b) Does not arise.

Reforms in agriculture sector

193. SHRI C. RAMACHANDRAIAH: Will the Minister of AGRICULTURE be pleased to state:

(a) whether Government propose to introduce reforms in the agriculture sector with the intention to step up investments and remove untoward controls in farming;

(b) if so, by when they are to be introduced alongwith the complete details thereof; and

(c) in what manner the proposed reforms in the agriculture sector would help the overall performance of the farm sector in terms of investment, marketing and production?

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA): (a) Yes, Sir.

(b) Agriculture sector needs well functioning markets to drive growth, employment and economic prosperity in rural areas of the country. In order to provide dynamism and efficiency into the marketing system, large investments are required for the development of post harvest and cold chain infrastructure near to the farmers' field. Projection of production and marketable surplus of various farm products was recently assessed by an Expert Committee set up by the Ministry of Agriculture which estimated that an investment requirement of Rs. 11,142 crore in next 10 years would be necessary for infrastructure development for agricultural marketing. A major portion of this investment is expected from the private sector, for which an appropriate regulatory and policy environment is necessary.

The Ministry is well on this path of reform and has had several rounds of discussion with the States including restrictive provisions of State Law in Agricultural Marketing (APMC Act) which hamper effective transmission of market signals, and thereby the need to modify and create lawful space for the private sector in market development and contract farming.

Alongside, enabling policies have also to be put in place to encourage procurement of agricultural commodities directly from farmers' field, establishment of effective linkage between farm production and the retail chain, including food processing industries. Promotion of direct marketing, contract farming and development of competitive agricultural markets in private and cooperative sectors have been identified as key areas of reform, *inter-alia*, requiring amendments to the State APMC Act.

In order to guide the State in implementation of the suggested reforms, the Ministry of Agriculture has formulated a Model State Agricultural Produce Marketing (Development and Regulation) Act and circulated to all the State Governments/UT Administrations for further necessary action as the subject matter falls within their purview. The aforesaid reforms in the Model Law were discussed in a meeting of State Agriculture Ministers held on 19th November, 2004. All the States/UTs have been requested to suitably amend their APMC Act in the overall national/State interest and more so in the interest of farmers.

With a view to attract large investments for development of agriculture markets in the country, this Ministry has approved a new reform linked scheme under which assistance would be provided to the States, who amends the APMC Act to promote direct marketing, contract farming and competitive markets in private and cooperative sectors. The scheme will be implemented during Tenth Plan with an outlay of Rs. 190 crore for providing subsidy @ 25 per cent of the capital investment and @ 33.33 per cent for NE, hilly and tribal areas and to SC/ST entrepreneurs.

(c) The implementation of the proposed reforms would enable the private and cooperative sectors to make investment in setting up of markets, direct procurement of agricultural commodities from farmers' fields by the food processing industries and retail chains. Once these effective linkages between farm production, processing industries and retail chain are established, this would enable a higher share for the farmers in the price of his agricultural produce.

Costs of items at Mother Dairy outlets

194. SHRI KARNENDU BHATTACHARJEE: Will the Minister of AGRICULTURE be pleased to state:

(a) whether the vegetables and fruits available at Mother Dairy outlets in Delhi are costlier than the prevailing market rates; and